(c) whether it is also a fact that OVL and IOC were considering the prospect of exploration and production, in the field of Natural Gas sector;

(d) if so, the details thereof;

(e) whether any discussions were held with the Government of Saudi Arabia in this regard; and

(f) if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRIMANI SHANKAR AIYAR): (a) and (b) Saudi Aramco, the National Oil Company of Saudi Arabia, recently invited Expressions of Interest for setting up a refinery and petrochemicals project in Yanbu, Saudi Arabia. HPCL have indicated their interest in this regard. Negotiations are continuing.

(c) and (d) ONGC Videsh Limited continuously looks for good exploration and production (E & P) opportunities in the oil and gas rich regions of the world, including Saudi Arabia. However, the Company has not yet entered into an agreement for any E & P project in Saudi Arabia.

Indian Oil Corporation Limited (IOC) had shown interest in three gas exploration blocks offered by Saudi Arabia in 2003. As the project was of high risk and required highly experienced operators with international expertise of operating in such areas, IOC felt it more appropriate to form a consortium with one of the oil majors. However, the consortium could not be formed for joint participation. Hence, looking into the associated risk, this opportunity was not pursued further by IOC.

(e) and (f) Bilateral discussions were held with Saudi Arabia during the visit of the Minister of Petroleum & Natural Gas to Saudi Arabia between the 28th and 31st March, 2005. It has been decided, *inter-alia,* to form a Joint Technical Committee to discuss the proposals further.

Directions on setting-up of oil refineries

3502. SHRIMATIS. G INDIRA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether it is a fact that setting-up of refinery at the well head of any well by any Public Sector oil company would be a cost reduction measure;

(b) if so, whether Government have issued any directions in this regard;

(c) whether it is also a fact that many State Governments had demanded to set up refineries at the place where oil were discovered; and

(d) if so, the details thereof?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRIMANI SHANKAR AIYAR): (a) Yes, Sir. However, while setting up a refinery at the well head would reduce the cost of transportation of crude to the refinery, there are a numer of related infrastructure and logistics issues that have to be considered in determining the efficacy of such a proposal.

(b) to (d) The Refineries sector has been delicensed since June, 1998 and a refinery can be set up anywhere in India by private or public sector enterprises depending on the promoters' assessment of its viability. It is not the Central Government but public and private sector enterprises who consider proposals for setting up refineries. Public Sector Undertakings may consider setting up a refinery in accordance with the decision-making authority delegated to them by Government vide Department of Public Enterprises' Office Memorandum No. DPE/11(2)/97-Fin dated 22-7-1997.

Ban on export of kerosene oil and ATF

†3503. SHRI KALRAJ MISHRA: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether Indian Oil Corporation and other oil producing companies have demanded imposition of ban on export of kerosene oil and ATF;

(b) if so, the details thereof; and

(c) whether Government propose to revise its export policy?

THE MINISTER OF PETROLEUM AND NATURAL GAS (SHRI MANI SHANKAR AIYAR): (a) to (c) With a view to ensuring that the country's demand for kerosene for the Public Distribution System is met from indigenous production, IOCL have requested Government to consider imposing restrictions on the export of Kerosene and Aviation Turbine Fuel (ATF). The matter is under consideration of the Government.

Recommendations of Agarwal Committee

3504. SHRI SHAHID SIDDIQUI: Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether there are reports of irregularity in the allotment of petrol pumps and a Committee headed by S.C. Agarwal was constituted to inspect such irregularities;

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†Ortginal notice of the question was received in Hindi.